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General Assembly

FORTY-SIXTH SESSION

Official Records

SECOND COMMITTEE
9th meeting
held on
Friday, 4 October 1991
at 3 p.m.
New York

SUMMARY RECORD OF THE 9th MEETING

Chairman: Mr. BURKE (Ireland)

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GENERAL DEBATE (continued)

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9 October 1991

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The meeting was called to order at 3.10 p.m.

GENERAL DEBATE (continued)

1. Mr. MATEJKA (Czechoslovakia) said that recent changes in Central and Eastern Europe and the Soviet Union more radical than those of the preceding two years had channelled energy away from ideological confrontation and towards the solution of economic and social problems. His delegation strongly supported the ongoing restructuring and revitalization of the Economic and Social Council, whose role was expanding as the world grew more economically interdependent. Provided that Czechoslovakia could put its economic house in order, his delegation would participate actively in addressing issues which knew no State borders, such as the environment, transportation, energy and telecommunications.

2. As part of a very complicated transition to an efficient market economy, Czechoslovakia was resolutely pursuing its programme of privatization and trade liberalization with a wide range of States throughout the world. Czechoslovakia had managed to reverse a decline in the developing countries' share of its overall foreign trade and, through changes in its management system, had opened up concrete opportunities for further cooperation with partners in Asia, Africa and Latin America. One such initiative was a seminar on cooperation between Czechoslovakia and the developing countries, which the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Development Programme (UNDP) were helping to prepare. The seminar would take place at Prague in early 1992.

3. His delegation welcomed the trend towards regional cooperation in all parts of the world and attached great importance to the successful outcome of the Uruguay Round of multilateral trade negotiations. In the belief that access to world markets was the key to bolstering its economy, Czechoslovakia was negotiating an association agreement with the European Community and seeking to develop relations with countries in the Pacific region, Asia, Latin America and Africa. His delegation was also convinced that greater access to the markets of developed countries would benefit the economies of developing countries more than official assistance and that the interests of all countries must be taken into account in addressing the issue of external debt.

4. His delegation expected that specific practical measures for sustainable development would result from the United Nations Conference on Environment and Development. Taking measures to cope with a devastated environment was his Government's first priority. In June 1991, Czechoslovakia had hosted a high-level conference entitled "The Environment for Europe" which had been attended by all European and North American Ministers of Environment and representatives of a number of international organizations. The conference had marked a transition from a polarized approach to a common approach to environmental issues in Europe.

(Mr. Matejka, Czechoslovakia)

5. Finally, his delegation viewed the Declaration on International Economic Cooperation, adopted at the eighteenth special session of the General Assembly, as a significant instrument for the attainment of sustained and equitable economic world growth.

6. Mr. MUGUME (Uganda) said that the representative of Ghana, speaking on behalf of the Group of 77, had voiced the Ugandan delegation's main concerns. In a new world order marked by shared responsibility, ideological reconciliation between East and West must be complemented by economic change.

7. The first generation of structural adjustment programmes in the 1980s had had a negative impact on the poor, especially in rural communities: during the "lost decade" of the 1980s, the undernourished population of Africa alone had grown from 60 million to 80 million. In the course of the recent assessment of the United Nations Programme of Action for Economic Recovery and Development 1986-1990 (UNPAAERD), it had been noted that the decline in the quality and quantity of social and economic services caused by structural adjustment programmes pointed to a failure of the international community to carry its share of responsibility.

8. The adjustment experience of the 1980s had provided a number of useful lessons. First, there was no single model of development. Development models should be tailored to individual countries and adjustment programmes should address short- and long-term concerns. Second, development was about people, and an approach that was too narrowly focused on gross national product and per capita growth was to be avoided. Third, there was a clear relationship between the adjustment process and the need for sufficient and sustained inflows of financial resources, including soft loans, direct investment and steady export revenues. Fourth, dogma and ideological biases should be avoided in structural adjustment programmes. While the private sector had an important role to play in stimulating national economies, the public sector was equally essential for ensuring competitive markets and creating the necessary infrastructure. Fifth, there was a compelling link between macroeconomic policy and the regional economic integration process. In Africa, a subregional framework would be most conducive to implementing macroeconomic programmes.

9. The forty-sixth session of the General Assembly had a historic opportunity to forge innovative policies on debt, the environment, trade, technology transfers and commodities. As the Toronto and Brady plans to deal with debt had proved inadequate, there was an urgent need for bold, new measures to bring about a substantial reduction of bilateral, commercial and multilateral debt. At a time when savings were low in industrialized as well as developing and transitional economies, there was also a need for measures to increase savings and investment. In that connection, the proposal by the Secretary-General to convene an international conference on development financing was vital. Equally timely and important were the proposal by the Group of 77 for an international conference on money and finance for

(Mr. Mugume, Uganda)

development and the proposal by the Department of International Economic and Social Affairs to hold a series of regional workshops on enterprise and financial-sector development in 1991 and 1992.

10. It was crucial to increase financial flows through an international trading system that afforded the developing countries unhindered access to markets in the industrialized countries. Commodity markets must be stabilized, and commodity-producing countries must be supported in their efforts to diversify their economies by including processing and value-added products. His delegation therefore attached great importance to the successful outcome of the Uruguay Round, which should be marked by shared benefits and equal concern for the needs of the developing countries. International institutional arrangements must also seek to guarantee more open, transparent participation in multilateral trade.

11. The United Nations Conference on Environment and Development would be a test case for a new order of international cooperation and independence. An environmental programme for the twenty-first century must take into account the interests of all countries, particularly the developing countries, and include measures for the provision of substantial new financial resources, on a concessional and preferential basis, for the transfer of environmentally sound technology to the developing countries.

12. The concept of a global commons must not prevent developing countries from fully exploiting their natural resources. His delegation wished to reiterate the principle that each State enjoyed sovereignty over its natural resources. It found particularly disconcerting the proposal made in the context of the UNCED preparatory process to limit, on the pretext of environmental protection, the extent to which developing countries could manage their own forest resources.

13. On a related issue, a framework convention on climate change should require the developed countries to enter into specific commitments to reduce green-house gas emissions while allowing the developing countries to increase their energy consumption in the context of their development process. The Indian proposal on convergence, submitted to the Intergovernmental Panel on Climate Change, was particularly interesting in that regard.

14. Grass-roots movements for democracy and pluralism were already at an advanced stage in Africa. The end of the cold war had provided fresh impetus to the African democratization process, which actually pre-dated the changes in Eastern Europe. In a complete break with its brutal past, Uganda was currently drafting a new Constitution that would guarantee human rights, the rule of law, democracy and accountability. It was the Ugandan view that democracy and development were mutually reinforcing. On the one hand, democracy released energy for effective development while, on the other hand, economic growth provided resources to build democratic institutions. However, a supportive international economic environment was absolutely necessary for democracy to take hold in Africa.

(Mr. Mugume, Uganda)

15. At the forty-fifth session of the General Assembly, the Second Committee had been unable to adopt a resolution on operational activities for development because of an attempt to impose conditions pertaining to issues of human rights and governance. The General Assembly should refrain from undermining the principles of operational activities, which had been so carefully crafted in the consensus of 1970 and General Assembly resolution 3405 (XXX). His delegation believed that, at its forty-sixth session, the Assembly should focus on the implementation of its resolution 44/211 and arrangements to ensure a successful triennial policy review of operational activities in 1992.

16. Mrs. CANEDO PATIÑO (Bolivia) noted that the incorporation of Eastern Europe into the world economy placed greater demands on sources of international assistance. At a time when such demands might well reduce the level of resources available for developing countries, it was extremely vital to reaffirm commitments undertaken in the Declaration on International Economic Cooperation and the International Development Strategy for the Fourth United Nations Development Decade. The growing gap between a prosperous North and an impoverished South must serve as the premise for any debate, especially in an increasingly interdependent world. Indeed, the impoverishment of two thirds of the human race could have serious implications for international peace and security. Conversely, the reactivation of development in the South would enhance the prosperity of the North.

17. The development policies being proposed in the current economic environment were still less than perfect and perhaps inadequate for the creation of the so-called new world order. Given the much-publicized opening up of markets, one crucial challenge to the international community would be the elimination of protectionist measures through the successful outcome of the Uruguay Round.

18. The problem of external debt also remained cause for concern. Bolivia had been fortunate enough to have its debt substantially reduced under the Toronto plan and bilateral arrangements with various countries, including the United States of America as part of the Americas Initiative. Such recent initiatives should be expanded in order to free even more resources for the reactivation of growth in developing countries.

19. With regard to science and technology, the President of Bolivia, speaking at the recent Ibero-American Summit at Guadalajara, Mexico, had called for the social technology used in meeting basic needs, such as food, health and education, to be declared the universal heritage of mankind.

20. With regard to the environment, Bolivia had declared a five-year ecological moratorium, beginning in 1990, that would, inter alia, afford an opportunity for the design of a new programme for ecologically sound development. In that connection, the United Nations Conference on Environment and Development would be of singular importance. New sources of financing and

(Mrs. Canedo Patiño, Bolivia)

new ways of transferring environmentally sound technology must be found, on the basis of complementarity and convergence between developing and developed countries.

21. In recent years, the focus of the United Nations had shifted noticeably from political to economic concerns. Landmark instruments, particularly the Declaration on International Economic Cooperation, had been adopted to ensure equality in international economic relations, the closing of the gap between North and South and the eradication of poverty. In the aforementioned Declaration, the reactivation of growth in the developing countries was declared to be the chief priority of the international community. Such commitments must lead to action and not degenerate into empty, ritualistic statements.

22. Mr. AL-HUSSNI (Oman) said that growth in the developing world was obstructed by the debt burden, a lack of investment and protectionist policies. The developed countries had an important role to play in development. He stressed the need for international cooperation and advocated a reform of the world's economic system that would provide the developing countries with economic opportunities and help maintain world stability and peace.

23. The environment was another source of grave concern to his delegation. The United Nations Conference on Environment and Development would be faced with severe challenges, and his delegation believed that a strategy was needed to preserve the earth's resources. The Gulf area and its marine resources in particular had been adversely affected by deliberate acts aimed at destroying Kuwait's oil wealth. Accordingly, the international community should step up its cooperation for the creation of a healthy environment.

24. Ms. THORPE (Trinidad and Tobago) said that her delegation fully supported the statement made by the representative of Ghana on behalf of the Group of 77.

25. The report of the World Commission on Environment and Development (A/42/427, annex) had underscored the close relationship between economics and environment. In preparing for the United Nations Conference on Environment and Development, the international community must be mindful of that integrated perspective in order to devise an effective strategy to arrest environmental degradation. In particular, it was necessary to examine the factors underlying world poverty and global inequity. Both the North and the South must take measures to protect and enhance the environment in accordance with their respective capacities and responsibilities while bearing in mind that the economic growth and development of developing countries were essential prerequisites.

26. The international community had failed to resolve the debt crisis, which had been the chief cause of economic stagnation in the developing countries during the 1980s. The pressure to keep up with interest and principal

(Ms. Thorpe, Trinidad and Tobago)

payments continued to inflict much hardship on the countries of the South, especially those with small economies. In many indebted countries, there had been a dramatic decline in the standard of living. In some countries the development crisis had given rise to conditions that threatened long-standing democratic traditions, while in others it had prevented the spread of democracy. Although many encouraging initiatives had been taken to resolve the debt crisis, a more aggressive approach was needed, including the creation of debt-relief mechanisms that covered all debt in the South.

27. One of the main challenges of the current decade was the application of science and technology to achieve sustainable development. Environmentally friendly technology could only have optimum global impact through international cooperation for the transfer of technology based on new standards that addressed the needs of developing countries. The efforts of developing countries to develop endogenous capacities should be encouraged as part of the effort to disseminate clean technology. In that regard, it was essential to implement the Vienna Programme of Action on Science and Technology for Development. Given the major role played by transnational corporations in the development and transfer of technology, the negotiations on the draft code of conduct on transnational corporations should be concluded immediately after the United Nations Conference on Environment and Development.

28. The unfettered access of developing countries to world markets and free trade in general constituted a sine qua non for any effective strategy for sustainable development at the global level. Protectionist barriers must be removed in keeping with the commitments made at the Uruguay Round. Instead of being penalized for becoming competitive in new areas, developing countries must be allowed to reap some benefits, especially after the difficult structural adjustment and diversification programmes that they had undertaken during the past 10 years.

29. While the thawing of East-West relations and the emergence of new market economies in Eastern Europe had been welcome developments, it was important to remember that the central theme of the Declaration on International Economic Cooperation adopted by the General Assembly at its eighteenth special session was the revitalization of economic growth and development in the developing countries. Funds for Eastern Europe should therefore be new and additional. Furthermore, the international community must make a concerted effort to reverse the negative trends of the past decade and restore a long-term sustainable approach to development.

30. Mr. MOORE (United States of America) said that the historic changes currently taking place provided opportunities for building a new international system that combined sustainable development and political and economic freedom. The fundamental challenge lay in synchronizing economic, political and security concerns to achieve those goals.

(Mr. Moore, United States)

31. The Declaration on International Economic Cooperation recognized the mutual obligations of the developed and the developing countries as well as the importance of political diversity and openness in economic development. Guided by those two basic principles, the international community should foster a favourable international economic climate that would assist countries seeking to develop and revitalize their economies while promoting the well-being of their citizens and enabling them to make a contribution to development.

32. Over the past few years, the international community had focused its attention on the problem of external debt. Progress had been made in addressing both commercial bank debt and official bilateral debt. The Paris Club was continuing to provide appropriate official debt relief in support of strong economic reform programmes, and the United States and other Governments were following up the London Economic Summit's call for additional debt-relief measures for the poorest, most indebted countries.

33. Many countries were concerned that current political developments would divert aid away from the developing world towards Eastern Europe. While that was a legitimate fear, the United States Government was committed to ensuring continued assistance to countries in greatest need, in particular the least developed countries.

34. Human resources development was fundamental to prosperity and must be integrated into comprehensive development strategies. His delegation commended the objectives of General Assembly resolution 45/191, on developing human resources for development. The United Nations Development Programme (UNDP) should continue to have the principal responsibility for developing and coordinating strategies for human resources development.

35. His delegation looked forward to the Secretary-General's report on the implementation of the Programme of Action for the Least Developed Countries for the 1990s. The United States had recently forgiven $416 million in food assistance debt in eight African countries in recognition of the positive economic reform efforts they had made in cooperation with international financial institutions. The second phase of the World Bank's Special Programme for Sub-Saharan African Countries Affected by Drought and Desertification had been launched with the support of 18 donor nations that had pledged $7.4 billion to help finance adjustment programmes. Although the overall economic situation was difficult for many countries, variations in GDP growth in Africa during the past year clearly showed that adjustment measures and donor support were making some difference.

36. The World Bank was placing greater emphasis on the private sector, which reflected a growing international consensus on the vital role that that sector could play in promoting sustainable economic development. His delegation was particularly encouraged by recent developments in Eastern Europe as well as by the growing efforts of developing countries to rely more heavily on market

(Mr. Moore, United States)

forces and the activities of the private sector to promote a more efficient allocation of resources and stimulate growth.

37. The promotion of entrepreneurship by the United Nations system was fully consistent with its other priorities, such as poverty alleviation and environmental protection. It was a useful complement to the ongoing Uruguay Round, which should result in a more prosperous trading environment.

38. Sound governance was an essential factor for encouraging sustainable economic growth. Effective, responsive, accountable and democratic Governments operating under a rule of law were essencial for fostering an environment that encouraged the private sector to take risks. Governance was also a global need, and the United States was committed to efforts to protect and manage the global environment. His delegation attached great importance to the work of the Preparatory Committee for the United Nations Conference on Environment and Development and supported strengthening the capacity of the United Nations system to coordinate environmental policy.

39. His delegation supported the efforts of UNDP to improve the coordination and administration of development assistance and commended the Programme's Human Development Report 1991, which provided an important framework for measuring progress in development on the basis of expanded criteria.

40. The revitalization of the United Nations in the economic and social spheres was only one aspect of a much broader reform process and his delegation believed that the time was ripe to tackle the problem of reforming the Secretariat. Recent events had shown that reform was needed to speed up and improve the Organization's coordinated response to humanitarian crises. To that end, the Political Declaration of the London Economic Summit suggested that United Nations humanitarian relief activities could be strengthened by such measures as the designation of a high-level coordinator for emergencies, improvements in the mobilization of resources and the full use of the Organization's early warning and preparedness capabilities. United Nations relief mechanisms must also be strengthened and duplication or fragmentation of effort within the United Nations system must be avoided.

41. Mr. AL-AKLA (United Arab Emirates) said that political stability and international cooperation required that the current economic recession should be overcome. In developing countries, the economic situation was worsening as a result of the growing debt burden and the flow of resources to developed countries. The monopoly of the industrial countries over trade in technology and services must be broken and the North-South dialogue must be resumed. The developing countries should adopt a united approach to that dialogue through the holding of a preliminary South-South dialogue aimed at achieving economic and technical cooperation among themselves.

42. Protectionism continued to hinder international trade and economic growth in the developing countries. His country therefore hoped that that the advent of the single European market in 1992 would not present new obstacles to

(Mr. Al-Akla, United Arab Emirates)

trade, and that the United Nations Conference on Environment and Development would not result in the imposition of further restrictions on the exports of developing countries on the pretext of preserving the environment.

43. Ever since independence, the United Arab Emirates had endeavoured to make a positive contribution by providing aid and soft loans as well as humanitarian assistance when natural disasters and other emergencies occurred. The ultimate aim of all those efforts had been to combat poverty and achieve economic and social development.

44. Mr. AL-ROMAIHI (Bahrain) said that, given the prevailing economic difficulties, the need for international cooperation to reactivate economic development remained great. The developed countries in particular had a major responsibility to help alleviate problems in the developing world, which was marked by a serious downturn in economic growth compounded in Africa by famine and drought and in Latin America by burgeoning debt.

45. Economic policies in the 1980s had been poorly controlled and coordinated, resulting in fluctuating exchange and interest rates. The marginal role of the developing countries in world trade and finance had caused their living standards to drop sharply and had forced them to make spending cuts on essential services. The protectionist practices and tariffs currently in place should be eliminated, as they had a negative effect on international trade and on growth in the developing countries.

46. His delegation therefore hoped that a dialogue could be opened which would help to improve the world economy and environment. It looked forward also to the forthcoming conferences dealing with trade, development and the environment which ought to lay the foundations for international cooperation to solve major problems in those areas.

47. Mr. ROE (Republic of Korea) said that recent political developments in the world had diverted attention from those developing countries which had yet to recover from the "lost decade" of the 1980s. Their prospects for economic recovery were severely impeded by their growing external debt and debt-service burdens, unstable international financial markets, falling commodity prices, revived protectionist policies and the harsh reality of structural adjustment. The declining growth in global output, which was estimated to reach zero in 1991, together with rising unemployment throughout the world, was similarly cause for great concern.

48. If global prosperity was to be achieved, sound macroeconomic, industrial and trade policies should be pursued to encourage a liberal and open international economic system. Protectionist practices should be eliminated and replaced by a truly multilateral trading framework based on market forces.

49. The Republic of Korea hoped that such developments as the single European market and the North American free trade zone would not be restrictive in nature, but would contribute constructively to the overall expansion of world

(Mr. Roe, Republic of Korea)

trade. In that context, a prompt conclusion was required to the Uruguay Round and valuable technological know-how should be made available to developing countries.

50. His country had moved quickly to liberalize its market, with significant reductions in tariff rates, the reform of foreign investment regulations and the lifting of virtually all restrictions on imports of manufactured goods. Increased cooperation with other developing countries had led to the establishment in 1991 of the Korean International Cooperation Agency, which was concerned with technical cooperation, grant-type aid and youth volunteer programmes. The Republic of Korea would continue to explore further means of promoting South-South cooperation.

51. A major obstacle to economic recovery and sustained development in the developing world was posed by the debt crisis, which absorbed the developing countries' precious resources and foreign exchange. Urgent action was needed to achieve significant reductions in the external debt of the developing countries, particularly the least developed countries.

52. The symbiotic relationship between environmental protection and sustainable development lent special importance to the forthcoming United Nations Conference on Environment and Development, and his country hoped that the international community would display the necessary commitment to consolidate worldwide efforts to preserve the environment and to promote sustainable development.

53. The Gulf crisis had demonstrated the newly enhanced political role of the United Nations, and it was hoped that the Organization would exert similar influence on the economic front. The Republic of Korea aimed to strengthen its cooperation with the international community, and particularly with the developing world.

54. Mr. GATHUNGU (Kenya) said that the end of the cold war and the attendant democratic reforms in Eastern Europe had raised high expectations of a peaceful world in which energies could be directed to the mutually beneficial production and exchange of goods and services at both the domestic and international levels. Urgent measures were therefore needed to fulfil those expectations.

55. The lowering of East-West tensions had provided an opportunity for ending the arms race and significantly reducing arms expenditure. Resources could now be released from the industrialized countries for productive development efforts, thus easing pressure on international savings. Declining super-Power rivalry in the third world and the concomitant reduction in the wasteful purchase of costly weapons and maintenance of large standing armies by the developing countries would enable those countries to redirect resources towards economic growth and to improve the desperate condition of their vast populations. A considerable share of the resources released through those

(Mr. Gathungu, Kenya)

developments should be directed to international cooperation to create development opportunities and to repair environmental damage.

56. Throughout the 1980s, economic growth had steadily declined while the developing countries' need for capital had continued to increase. Those countries had, perversely, now become net exporters of capital. Their low export earnings, the negative terms of trade, the growing stock of external debt, heavy debt-servicing burdens and capital flight had led to a deepening economic crisis, particularly in sub-Saharan Africa.

57. In accordance with the commitments made in the Declaration adopted at the eighteenth special session of the General Assembly, a concerted effort must be made to enable developing countries to increase productivity, improve their reconstruction capacities and reform their economies to make them more efficient and flexible. Increased efforts at the national level, assisted by substantial external financing, were required to halt and reverse current negative trends. The commitments made by the seven major industrialized countries to implement fiscal and monetary reforms aimed at improving their economic efficiency could contribute to that end, particularly if those reforms were intended to improve the international economic situation and not merely serve as a challenge to developing countries to make comparable commitments.

58. The development prospects of the developing countries were severely hampered by the industrialized countries' fiscal deficits which had led to a drop in the demand for imports from developing countries and to inflation, increasing the cost of exports to the latter. There was therefore an urgent need for appropriate fiscal and monetary policies in the industrialized countries to encourage the growth of domestic savings, with less borrowing from international capital markets, thus sparing the meagre savings of developing countries.

59. The interdependent nature of the world economy called for greater pluralism and transparency in the resolution of economic issues. However, the world economy continued to be controlled by the policies of a very few countries, and it was essential that the macroeconomic policies of those countries should be coordinated in a manner sensitive to the interests of the developing world, particularly where international financial flows were concerned.

60. Remarkably little attention had been paid to the external effects of the current reforms in Central and Eastern Europe on international financial flows. It had been established, however, that the economies of Central and Eastern Europe and the USSR would need massive financial, material and technical assistance to sustain them through their transition. Such assistance should not, however, be provided at the expense of the more pressing needs of developing countries. Any diversion of resources which denied developing countries their diminutive share of international savings would severely compromise those countries' adjustment programmes. Kenya

(Mr. Gathungu, Kenya)

therefore welcomed the repeated assurances by developed countries that any resources directed to Central and Eastern Europe would be additional to those already allocated for development purposes.

61. The wide range of structural reforms implemented by the developing countries in the 1980s could not succeed without substantial improvements to the internal capacity of those countries to restore, maintain and accelerate growth. As the international community also had a considerable stake in the success of those reforms, it should increase its support for the developing countries significantly.

62. International trade was of vital importance in expanding export earnings to compensate for the reduced flow of external resources caused by competing demands from the Eastern European countries. That expansion could only be achieved, however, if the protectionist measures adopted by the industrial countries against exports from the developing world were abandoned. A successful conclusion of the Uruguay Round was therefore urgently required.

63. The main cause of environmental damage was poverty in developing countries. Environmental policies should, therefore, address the development needs of those countries as well. Efforts to restore and maintain the environment for future generations could only succeed if developing countries received the resources and technology necessary both for the preservation of the environment and for the attainment of their development objectives.

64. Decisive action by the industralized countries was necessary to correct serious imbalances in the international economy, strengthen multilateral cooperation and place the international economy on a stable and long-term basis conducive to development. His delegation therefore noted with interest the proposal made by the Secretary-General at the most recent session of the Economic and Social Council to convene an international conference on development financing.

The meeting rose at 5.25 p.m.

UNITED NATIONS

General Assembly

FORTY-SIXTH SESSION

Official Records

SECOND COMMITTEE
10th meeting
held on
Wednesday, 9 October 1991
at 10 a.m.
New York

SUMMARY RECORD OF THE 10th MEETING

Chairman: Mr. BURKE (Ireland)

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ORGANIZATION OF WORK (continued)

AGENDA ITEM 89: IMPLEMENTATION OF THE COMMITMENTS AND POLICIES AGREED UPON IN THE DECLARATION ON INTERNATIONAL ECONOMIC COOPERATION, IN PARTICULAR THE REVITALIZATION OF THE ECONOMIC GROWTH AND DEVELOPMENT OF THE DEVELOPING COUNTRIES

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The meeting was called to order at 10.15 a.m.

ORGANIZATION OF WORK (continued)

1. The CHAIRMAN called the attention of the Committee members to the delays in issuing documentation, a problem which had been exacerbated by the growing demands on the United Nations in the political sphere. He expressed his concern in regard to the documentation and requested the Secretariat to speed up the process, because the Committee would find it difficult to carry out its work without the necessary documents. He proposed, nevertheless, that the Committee should follow the programme of work outlined in document A/C.2/46/L.3

2. It was so decided.

AGENDA ITEM 89: IMPLEMENTATION OF THE COMMITMENTS AND POLICIES AGREED UPON IN THE DECLARATION ON INTERNATIONAL ECONOMIC COOPERATION, IN PARTICULAR THE REVITALIZATION OF THE ECONOMIC GROWTH AND DEVELOPMENT OF THE DEVELOPING COUNTRIES (A/46/155, A/46/159, A/46/317-S/22823, A/46/336, A/46/344, A/46/505)

3. Mr. KUFUOR (Ghana), speaking on behalf of the Group of 77, said that the Declaration on International Economic Cooperation was a very important text as it reflected the international community's consensus with regard to the problems of growth and development confronting the developing countries and contained specific commitments designed to create an economic environment favourable to the developing countries.

4. The developing countries had met their commitments, introduced political reforms and taken the structural adjustment and trade liberalization measures necessary to transform their systems into true market economies. Such heroic efforts should be met by equivalent efforts on the part of the developed countries. In fact, there had been no significant improvement in the general economic environment since the adoption of the Declaration because the developed countries had not respected their own commitments. The problem of external debt of the developing countries, which was getting progressively worse, had yet to be solved. It was clear that private sources of financing had run dry and that all the debt rescheduling and debt reduction measures were not enough to fill that enormous gap. Debt servicing had substantially reduced the resources of most of the developing countries, giving rise to inverse transfers to the developed countries.

5. The Uruguay Round of negotiations had become bogged down because the developing countries had refused to remove the trade barriers they had established, thus maintaining trade inequities to the detriment of the developing countries. Free market forces alone could not explain the price decline in commodities exported by those countries; the explanation had to be sought in the injustices and flagrant inequities inherent in the operations of those markets.

(Mr. Kufuor, Ghana)

6. Since the adoption of the Declaration, however, there had been some positive changes in the international political and economic climate, which gave rise to the hope that some countries might reduce their sizeable weapons expenditures, thus freeing resources for development.

7. Some important international conferences would be held in the near future, such as the eighth session of the United Nations Conference on Trade and Development and the United Nations Conference on Environment and Development, which should provide a forum for consideration of the obstacles to economic growth in developing countries. It was to be hoped that the developed countries would take prompt action to resolve the problems of transfer of resources, external debt and trade. In that connection, the Group of 77 fully endorsed the proposal of the Secretary-General that a conference on development financing should be convened and hoped that the idea would find support during the current session.

8. Mr. MAJOOR (Netherlands), speaking on behalf of the States members of the European Community, said that the Declaration was extremely important because it reflected a global consensus on a new approach to development and marked a new beginning for international economic cooperation. Developing countries needed sound national policies in order to revitalize their growth and accelerate their development; the international community had a responsibility to support the developing countries in that effort by creating a favourable international economic environment. Both aspects were dealt with extensively in the Declaration adopted by the General Assembly at its eighteenth special session.

9. In the view of the Community, it was essential for countries to pursue anti-inflationary policies and to increase national savings and reduce deficits. Both developed and developing countries should seek an increase in savings, which was highly desirable for enhanced economic growth and could be achieved most simply by encouraging public sector savings through a reduction in budget deficits.

10. Despite recent periods of financial instability, fluctuations in exchange rates had been limited; within the European Community, the exchange rate mechanism (European Monetary System) had been a significant factor in ensuring a high degree of stability. The aim of all the current initiatives of the Community - completing the internal market, strengthening economic and social cohesion and the attainment by stages of economic and monetary union - was to improve the prospects for growth through a better use of resources.

11. The substantial progress that had already been made towards the completion of the Single Market had not turned the European Community inward. On the contrary, the Community had increased its imports of products from developing countries by nearly one third. Moreover, its increased economic growth would benefit all countries, including developing countries.

(Mr. Majoor, Netherlands)

12. With respect to the development of a debt management strategy, the European Community had made a number of proposals aimed at substantially reducing the debt of low-income countries; those proposals were currently under consideration by the Paris Club, the International Monetary Fund (IMF) and the World Bank. The Community also attached great importance to strengthening the multilateral trading system, in particular the timely completion of the Uruguay Round, in which it was taking an active part; among other things, it had proposed trade liberalization measures of particular significance for developing countries.

13. The Declaration adopted by the General Assembly at its eighteenth special session also stressed the importance of development cooperation. One of the main instruments of the Community in that field was the Lomé Convention, which had been renewed for the fourth time in December 1989 and involved 69 ACP (African, Caribbean and Pacific) countries; the new Convention had a budget of ECU 12 billion for the period 1990-1995. While Africa would remain a priority in its development policies, the Community had also strengthened its financial commitments to the Mediterranean region, including the countries of the Maghreb and the Mashreq. It also planned to increase its cooperation with developing countries in Latin America and Asia. The member States of the Community had their own substantial development assistance programmes, representing approximately $US 22.5 billion. In view of the tremendous needs, even greater efforts were required; accordingly, the member States reaffirmed their commitment to attain the targets set by the United Nations for official development assistance (ODA), as evidenced by the substantial increase in the volume of their aid.

14. The Second United Nations Conference on the Least Developed Countries had established guidelines for aid to the least developed countries, which recognized the shared responsibility for the growth of those countries. The Community, which already gave 0.13 per cent of its gross national product (GNP) to the least developed countries, would increase that amount beyond 0.15 per cent before the end of the decade.

15. The Community was convinced that sustainable development could not be achieved in the absence of good government which provided equal opportunities to all people to participate fully in the economic, social and political activities of their country.

16. Environmentally sound policies formed another prerequisite for sustainable development, and as the Declaration stated, all countries should take effective actions for the protection of the environment. The 1992 United Nations Conference on Environment and Development would provide a unique opportunity to reach global consensus on solutions to those problems. The European Community would play an active part throughout the Conference process, the goals of which were in line with its own.

17. The European Community had sought to be as supportive as possible to the countries of Eastern Europe and the USSR during the present difficult period

(Mr. Majoor, Netherlands)

of economic transition. That support had taken the form of substantial financial assistance provided both bilaterally and through the newly established European Bank for Reconstruction and Development, technical support in the framework of the PHARE programme, and trade liberalization through a series of trade and cooperation agreements. It was important to stress that the assistance directed to those countries was additional, and in no way reduced the assistance directed to developing countries. The member States of the Community were convinced that a revitalization of economic growth in Eastern Europe would also benefit the developing countries, through increased trade and capital flows, and through potentially greater aid flows from that region in the longer term.

18. Mr. CHADWICK (Chile) said that the Declaration on International Economic Cooperation had been adopted at a time of profound changes in the international political and economic climate. For the first time, one could glimpse a real possibility for stable world peace in the context of collective security, born of a convergence of views reflecting true political maturity. Freedom, democracy and respect for human rights were acquiring new dimensions throughout the world, while the differences that had divided the world into two opposing blocs were diminishing.

19. The 1980s had also been particularly difficult years for most of the developing countries, whose economic problems had worsened in every respect. Consequently, as the Declaration stated, the most important challenge for the 1990s would be the revitalization of economic growth and social development in the developing countries, which called for sustained growth of the world economy and favourable external conditions, as well as effective national policies.

20. However, while the developing countries had already been working for some time, and at a high cost in social terms, to modernize their economies, open up their markets, and integrate them into the world economy, the industrialized countries themselves had done nothing to improve the international economic climate. It was international factors that were hampering development - the industrialized countries could not escape that fact. All the advantages that the developing countries might derive from an improvement in their economic management and the opening up of their markets were nullified by the instability of the international trade and financial system.

21. While the industrialized countries advocated an economic doctrine of free markets (a doctrine put into practice by a number of developing countries), they were in fact adopting more and more elaborate protectionist measures, voluntarily restricting their exports, and heavily subsidizing their farmers, particularly in the European Economic Community.

22. The Uruguay Round of trade negotiations must renew the international trade system by putting an end to protectionism, unilateralism and other

(Mr. Chadwick, Chile)

trade-distorting measures. It must result in a liberalization of trade and access to markets for products from the developing countries.

23. Another area in which a wide disparity between the groups of countries was noticeable was that of budget deficits. While the developing countries were subjected to extremely strict budgetary controls, the same was far from true of the industrialized countries. For example, according to United States Congress projections, the 1992 United States budget deficit would be $362 billion; that imposed an additional burden on an international capital market that was already so overstretched that IMF had estimated the amount of additional savings needed to meet current demand at more than $100 billion.

24. There had been considerable changes since the establishment of the Bretton Woods system, and the new tasks called for a broad international response, particularly with regard to coordination of the industrialized countries' macroeconomic policies. Consequently, the maturity shown by the international community in political matters must now also be manifested in the sphere of development. That was in everyone's interest, for there could be no security in the North without security in the South: such must be the new pattern of international relations on the eve of the twenty-first century. The international community, which had moved from confrontation to cooperation at all levels and had reached a consensus, as was apparent from the Declaration on International Economic Cooperation, must now translate those commitments into practical actions.

25. Mr. SERSALE DI CERISANO (Argentina), speaking on behalf of the four States member of the Common Market of the Southern Cone (MERCOSUR), officially requested the Chairman to prepare a summary of the Committee's debates on agenda item 89, to assess the degree of implementation of the policies that countries had undertaken pursuant to the Declaration on International Economic Cooperation (resolution S-18/3), for inclusion in the Committee's report.

26. He reviewed the section of the Declaration dealing with commitments and policies for international development cooperation. With regard to paragraph 22, which stated that the coordination of macroeconomic policies should take full account of the interests and concerns of all countries, particularly the developing countries, Argentina regretted that, for example, when the Group of Seven had considered the best means of settling the problem of the United States trade deficit, it had considered only two possibilities: either the imposition of monetary and budgetary restrictions on the deficit country, or an expansion of expenditure by the surplus countries, basically Japan and Germany. If full account had been taken of the developing countries' interests, a third solution might have been envisaged, namely, an increase in investment in the countries affected by the debt crisis. Since those countries were traditionally purchasers of United States capital goods, that solution might have helped to correct the United States trade balance. Setting apart that simple suggestion, one could not but note that, despite certain declarations of intent made in Houston and in London, the Group of

(Mr. Sersale di Cerisano, Argentina)

Seven had taken their main economic and political decisions without regard to the interests of the developing countries.

27. With reference to the commitments set forth in paragraph 23 of the Declaration, Argentina was pursuing an adjustment programme intended to solve its structural problems, which were impeding the revitalization of its economic growth. The reforms introduced had already been detailed in document A/46/159: they included a reform of the state sector, the opening up of the economy to outside competition, tax reforms, and the introduction of a free exchange system. Those reforms would come to nothing, however, unless the international community found a comprehensive solution to the macroeconomic problems to which he had already referred.

28. Commenting on the statement in paragraph 24 of the Declaration that the full utilization of human resources and the recognition of human rights stimulated creativity, innovation and initiative, his delegation said that only slight progress had been made over the past year. Argentina could not fully utilize its human resources because of a world situation in which liberalization of trade was obstructed by protectionism and subsidies contrary to the commitments made under paragraph 24.

29. While some progress had been made regarding paragraph 26 (external debt problems), a comprehensive and lasting solution was still far off.

30. The commitments made under paragraph 27 regarding development assistance had apparently not been implemented, particularly on the multilateral level. Perhaps the Secretary-General's proposal to hold an international conference on that subject should be given consideration. He concurred with the Director-General of IMF, who saw two possible sources for development assistance to developing countries: reduction of military expenditure and expenditure resulting from protectionist commodity policies. He stressed that developing countries required more than assistance: primarily they needed to be free to develop and to progress on their own and to that end, it was essential to eliminate any restrictions on their development.

31. International trade, discussed in paragraphs 32 and 33, was probably the area in which the least progress and the greatest number of commitments had been made. All countries had agreed to work for a successful conclusion to the Uruguay Round. It was apparent what had occurred in 1990, and prospects for 1991 were hardly encouraging. For its part, Argentina had made major efforts towards liberalization of commodity trade through tariff reductions, elimination of import licences and discontinuance of many subsidies as well as various deregulation measures.

32. Nevertheless, although developing countries were sparing no effort, the conditions for access to markets of industrialized countries had not improved and there had been a resurgence of protectionist practices and recourse to subsidies. For example, in 1991, the Organisation for Economic Cooperation

(Mr. Sersale di Cerisano, Argentina)

and Development (OECD) had allocated $300 million in subsidies to the agricultural sector, or 17 per cent more than in 1989. Twenty years ago, the EEC imported 3.5 million tons of wheat, but as a result of the subsidy policy, its member countries had become net exporters of wheat (close to 20 million tons in 1990). The same trend had affected the meat and sugar markets. Therefore, it was essential that the outcome of the Uruguay Round should be the reaffirmation of multilateralism. Total liberalization of world trade would enable Argentina, for example, to improve its balance of trade considerably (by around $40 billion over the coming decade).

33. Argentina, Brazil, Paraguay and Uruguay had fulfilled the commitment regarding regional economic integration (para. 34 of the Declaration) with the establishment of a common market called "the Common Market of the Southern Cone" (MERCOSUR). Its purpose was to establish a regional economic space embracing 50 per cent of the GDP and 37 per cent of the population of Latin America.

34. MERCOSUR was recently linked to President Bush's Initiative for the Americas. An agreement, signed on 1 July 1991, was intended to strengthen international trade and reciprocal investment, to stimulate market policy and competition in the spirit of GATT, and to promote a free trade system in the hemisphere.

35. Turning to paragraph 36, he reaffirmed that his country was convinced of the large role which the United Nations system could play in international economic cooperation for revitalizing development in the 1990s and it would spare no effort for the successful implementation of the provisions of resolution 45/234.

36. Argentina was ready to make every effort and to cooperate to ensure the success of the meetings mentioned in paragraph 37 of the Declaration.

37. THE CHAIRMAN, referring to the suggestion of the representative of Argentina, proposed that the Committee should revert to the request for a summary of the Committee's debates on item 89 when it had completed its consideration of that item.

38. Mr. TURIANSKY (Ukraine) said that the Declaration on International Economic Cooperation reflected the new political climate in international relations. The profound political and economic changes which had occurred in many countries, particularly in Ukraine, formed the basis of a new international economic order where cooperation replaced confrontation, and where the interdependence of all States was recognized.

39. For that reasons, as stated in the Declaration, the international community had a responsibility to support the efforts of the developing countries to solve their grave problems, although each country remained responsible for its economic development policy.

(Mr. Turiansky, Ukraine)

40. Ukraine strongly approved the basic approach of the Declaration, namely, the need to ensure social and economic progress in developing countries and to eliminate hunger, poverty and the external debt and generally improve living conditions for the peoples.

41. The Ukraine also attached great importance to the Declaration's call for the integration of the countries of Eastern European into the world economic system. Such integration would allow them to play a more active role in world economic cooperation. Despite the fact that it was currently going through a difficult transition to a market economy and democratic pluralism, Ukraine found in those provisions a source of comfort and optimism.

42. The present situation in Ukraine was characterized by the uniting of all political forces in the Republic around the principle of independence and sovereignty, proclaimed in the act promulgated by Parliament on 24 August 1991. That law and the legal instruments which had followed would serve as a solid normative base for the total restructuring of the national economic system, its transformation into a market economy and its adaptation to international mechanisms.

43. One of the world problems of greatest concern was the growing threat to the environment. Ukraine, which had been dealt a severe blow by the Chernobyl nuclear power plant accident, placed particular importance on international cooperation in the nuclear field and was pleased that the Declaration urged all countries to take effective environmental protection measures.

44. The Secretary-General's note on the implementation of the commitments and policies agreed upon in the Declaration by the bodies of the United Nations system (E/1991/96) bore witness to the fact that in a very short space of time many United Nations bodies had begun to implement the relevant provisions of the Declaration in their own fields of competence. The regional economic commissions, the United Nations Conference on Trade and Development (UNCTAD), the United Nations Development Programme (UNDP), the World Health Organization (WHO), the International Labour Organisation (ILO) and the United Nations Environment Programme (UNEP) deserved particular mention in that connection.

45. In conclusion, he unreservedly supported those provisions of the Declaration calling on the United Nations to strengthen its role in international cooperation in order to revitalize development in the 1990s.

46. Mr. MOLLER (Denmark), speaking on behalf of the Nordic countries, recalled that at the second regular session of the Economic and Social Council held in 1991, those countries had emphasized the emerging spirit of dialogue and cooperation shown by the world community concerning the resolution of development issues, which was reflected in the Declaration and the balanced principles it contained about international economic cooperation - namely that each country was responsible for its own economic policies for development and

(Mr. Moller, Denmark)

for the well-being of its citizens, but that the international community should also give strong support to the efforts of the developing countries to solve their economic and social problems by creating a favourable international economic environment.

47. As they had already expressed their opinions on the implementation of the commitments and policies agreed upon in the Declaration on that occasion, the Nordic countries would restrict themselves to focusing on two of its aspects that they considered to be particularly important at the current stage.

48. The Declaration had been adopted at a time when profound and encouraging changes were occurring on the global scene. No less positive and important developments had taken place since then: the changes in Eastern Europe and the Soviet Union, the spread of democratic values in all parts of the world, the emerging consensus that the human being should be placed at the centre of development and the opening up of promising perspectives for action by the United Nations.

49. Those dramatic events might lead some to ask whether the Declaration was still relevant. In the view of the Nordic countries, it was even more relevant since the principles it contained addressed problems that still existed today, some of which had become even more alarming, and the potential for economic cooperation within the United Nations had significantly increased.

50. The second point to which the Nordic countries wished to draw attention had to do with the implementation of one of the most important principles of the Declaration, namely the recognition of the close relationship between democratic principles and human resources development on the one hand and economic and social progress on the other. There could be no sustainable development without freedom and democracy just as there could be no democracy in the absence of development. Clear commitments for developing and developed countries alike stemmed from that recognition and should be implemented as part of the full implementation of the Declaration.

51. Ms. STOKES (New Zealand) considered that the drastic changes taking place in the world allowed great hopes for the new decade. Cooperation would be more important than ever since all countries were now interdependent and should therefore accept the responsibilities that that entailed, each having a role to play in contributing to international and sustainable development and thereby to global security.

52. New Zealand knew only too well the problems of countries handicapped by external and internal debt. It was currently undergoing the restructuring of its economy and despite the high social cost it would continue in the same direction and continue to participate in international efforts with a view to reactivating the world economy.

(Ms. Stokes, New Zealand)

53. The bulk of New Zealand's contribution to these efforts went to the region of the South Pacific. Development assistance also went to South-East Asia, but the countries of Africa and Latin America were not neglected.

54. Of course, New Zealand's development assistance contribution was modest in relation to the immense needs of developing countries. When it was unable to give direct bilateral aid, New Zealand contributed through multilateral channels, such as UNDP, UNICEF, the World Bank and the Asian Development Bank. Unlike larger donors, New Zealand's aid was untied.

55. Environmental concerns were crucial. In appraising requests for development assistance, New Zealand gave particular attention to the way in which the assistance would help the partner country to promote management of natural resources without damage to the environment. Some joint projects had in fact made exciting strides forward - especially in reforestation.

56. New Zealand needed no convincing that a multilateral trading system was essential for sustainable growth and development. It had already made crystal clear the critical importance of bringing the GATT Uruguay Round to a successful conclusion.

57. It had already been calculated that the "industrial country" market protection choked the "developing country" income by roughly twice the amount of public development assistance provided to them every year. That was an arresting calculation. However, global trade liberalization was not a panacea and would not be enough for resource-poor countries.

58. In conclusion, she recalled the broad outline for action to be taken in the 1990s: the United Nations Conference on the Least Developed Countries had adopted by consensus an extensive programme of action; a new international development strategy had been adopted and the World Summit for Children had focused on efforts to be made economically and socially to relieve the suffering of children.

59. The 1990s should see revolutionary changes. The international community, looking beyond "narrow", short-term objectives, should resolve the fundamental problems of poverty, health, debt and population.

60. Mr. KHOMAN (Thailand) said that his country welcomed the Declaration on International Economic Cooperation, which had clearly demonstrated the awareness of both the developed and the developing countries of the problems obstructing the economic growth and development of the latter.

61. Thailand, for its part, was doing its best to promote economic cooperation. It had ratified the Global System of Trade Preferences Agreement and was in the process of ratifying the Common Fund for Commodities. It had also participated in the Uruguay Round negotiations with a view to bringing about their balanced conclusion. In addition, it had been giving economic

(Mr. Khoman, Thailand)

assistance to the least developed countries, especially neighbouring land-locked countries, particularly through preferential trade agreements and in the form of scholarships.

62. As the 1991 World Economic Survey pointed out, the developing countries were highly vulnerable to external shocks. Sharp trade declines, trade barriers and sudden reductions in the flow of external resources could all have a dramatic impact on them. Development required the transfer of resources from the developed to the developing countries rather than the reverse.

63. While the Declaration deserved full approval, there was a long way to go from the enunciation of worthy principles and generous recommendations to actual implementation of the provisions. Weaker nations continued to be subject to threats and pressure from powerful countries which resorted to protectionism and unilateral and bilateral legislative or administrative measures to serve their own interests to the detriment of the developing countries.

64. He regretted that what seemed to prevail was not exactly friendly and fruitful cooperation but rather an adversarial atmosphere between developed and developing countries. What was needed therefore was not only to uphold the commendable principles contained in the Declaration but more especially to ensure their effective implementation by the privileged parties.

65. Mrs. CANEDO (Bolivia) said that the Declaration on International Economic Cooperation, adopted by consensus, laid an obligation on countries to apply without delay policies and concrete measures which would guarantee effective international cooperation and consequent improvement in the world economy and enhanced growth of the developing countries.

66. Most of the developing countries were implementing stabilization and structural adjustment programmes. The developed countries, however, did not appear to be putting into effect substantial changes which would alter the international environment; nor were multilateral bodies significantly increasing the resources allocated to the developing countries. The efforts made to mobilize resources and increase financial flows to the developing countries had not been properly evaluated. The allocation of aid should be proportionate to the efforts made by those countries.

67. International organizations, financial institutions and the United Nations system must find solutions which would support the initiatives taken by those countries, aiming to protect the most vulnerable groups and should not seek to impose conditions.

68. It was essential that the developing countries should take part in important developments in international trade and finance and that effective efforts must be made to liberalize international markets and substantially increase investment flows to those countries.

(Mrs. Canedo, Bolivia)

69. The Bolivian Government was currently implementing an economic policy aimed at revitalizing the productive and export sectors. Among the measures that it had taken were the introduction of a system for currency auctions, the removal of restrictions on imports, a substantial reduction in import duties, the freeing of interest rates and prices and a considerable reduction in the budget deficit.

70. The success of Bolivia's adjustment programmes was dependent on sustained international economic cooperation, an essential requirement for the revitalization of international economic growth.

71. Mr. MARKS (United States of America) drew attention to the two principal themes of the Declaration: that the developing countries were responsible for their own development and that the international community had a responsibility to support their efforts through the creation of a favourable economic environment.

72. The Declaration called upon the industrialized countries to take steps towards the creation of conditions more favourable to development by committing themselves to correcting external payments imbalances, liberalizing trade, seeking viable solutions to the debt problem, lowering interest rates, stablizing exchange rates and in general promoting sustained, non-inflationary growth. It called upon the developing countries to improve their economic performance by implementing appropriate national policies aimed at improving the management of their own resources and increasing their international competivity.

73. In pursuit of those objectives, the General Assembly, in its resolution 45/234, decided that it should elaborate effective modalities to ensure political review and follow-up processes for the Declaration. It had also included in its agenda the item the Committee was currently considering, in order to enable Governments to report on the steps they had taken to fulfil the commitments and policies agreed upon in the Declaration.

74. The United States Government was pursuing an economic policy which was contributing to the implementation of the Declaration. It was convinced of the need to reduce public expenditure, in particular in order to improve the predictability of international movements of capital. To that end it was rigorously observing the procedures laid down in the budgetary agreement finalized with the Congress the previous year, when substantial reforms had been adopted in order to reduce the deficit.

75. The international community was at present passing through a period of historic importance which offered the opportunity of creating a new world order combining durable development and political and economic freedom. It was important to coordinate economic, political and security concerns in order to achieve those objectives. The United States had actively participated in the elaboration of an international strategy aimed at providing a solution to the debt problems of the developing countries. That strategy had protected

(Mr. Marks, United States)

the international financial system from the dangers of insolvency, had encouraged economic reform and the sustained growth of the debtor countries and had allowed the cancellation of loans for economic assistance granted to least developed countries introducing economic reforms.

76. With the object of strengthening the economies of the countries of Latin America and the Caribbean and promoting trade in the region, President Bush had announced the "Enterprise for the Americas" initiative, whose objectives were to promote reforms aimed at encouraging trade, to increase flows of capital to the region and to stimulate economic growth. The United States had thus committed itself to promoting free trade, encouraging investment and reducing the debt burden weighing heavily on many countries of the region. That initiative was all the more important since the countries of Latin America and the Caribbean had introduced democratic reforms and taken measures aimed at stimulating their economic growth.

77. The United States had already begun to carry out the initiative. In particular it had concluded a free trade agreement with Mexico and Canada and signed framework agreements on trade and investment with 30 countries of Latin America and the Caribbean. With regard to the debt problem, a sum of more than $1.2 million owed by various countries of the region had been written off. The Inter-American Development Bank had joined with IMF and the World Bank in helping to reduce the debt owed to the commercial banks.

78. Bearing in mind the fact that there were substantial differences in the economic circumstances of the principal industrialized countries, efforts to develop coherent and mutually reinforcing policies should be intensified. In order to promote sustained growth while maintaining inflation at a low level, to reduce trade imbalances and to reinforce the stability of foreign exchange markets, objectives in line with the principles set out in the Declaration, the United States had actively participated in the coordination of economic policies within the Group of Seven; that collaboration had enabled the countries concerned to experience the longest period of economic growth in the post-war era.

79. The international community had a duty to support the developing countries in their efforts to resolve their grave economic and social problems. It was the recognition of this mutual obligation which made the Declaration so important, along with its recognition of the fact that political diversity and openness were essential elements in economic development. It was these two fundamental principles which should guide the international community in its actions.

80. Although there was much diversity among the national programmes and economic circumstances of the principal industrialized countries, that diversity was even more marked among the developing countries themselves and between the developing countries and the developed countries. However, it was precisely because such a diversity of circumstances, problems and perspectives

(Mr. Marks, United States)

existed that a differentiated approach to international economic problems was required which took account of the specific circumstances of each country. That applied to development programmes and to the debt problem. There were differences of outlook regarding how such matters should be dealt with. The positive changes which had taken place in the world political situation should encourage the international community to unite its efforts in order to achieve a common goal.

The meeting rose at noon.

UNITED NATIONS

General Assembly

FORTY-SIXTH SESSION

Official Records

SECOND COMMITTEE
11th meeting
held on
Thursday, 10 October 1991
at 3 p.m.
New York

SUMMARY RECORD OF THE 11th MEETING

Chairman: Mr. BURKE (Ireland)

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AGENDA ITEM 89: IMPLEMENTATION OF THE COMMITMENTS AND POLICIES AGREED UPON IN THE DECLARATION ON INTERNATIONAL ECONOMIC COOPERATION, IN PARTICULAR THE REVITALIZATION OF ECONOMIC GROWTH AND DEVELOPMENT OF THE DEVELOPING COUNTRIES (continued)

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The meeting was called to order at 3:05 p.m.

AGENDA ITEM 89: IMPLEMENTATION OF THE COMMITMENTS AND POLICIES AGREED UPON IN THE DECLARATION ON INTERNATIONAL ECONOMIC COOPERATION, IN PARTICULAR THE REVITALIZATION OF ECONOMIC GROWTH AND DEVELOPMENT OF THE DEVELOPING COUNTRIES (continued) (A/46/155, A/46/159, A/46/317-S/22823, A/46/336, A/46/344, A/46/505)

1. Mr. ZHANG Yesui (China) said that while the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries recognized that each country was responsible for its own development, it also emphasized the international community's responsibility to support the developing countries' efforts to solve their grave economic and social problems by creating a favourable international economic environment. Effective measures were urgently needed to alleviate the debt burden of the developing countries, increase financial flows, including official development assistance (ODA), reduce and eliminate protectionist practices, and address the problems of extreme poverty and environmental degradation.

2. In recent years, China had established and further developed cooperative relations with many countries in such areas as trade and science and technology. In June 1991, at the initiative of the Chinese Government, the Ministerial Conference on Environment and Development had been held at Beijing for the purpose of promoting international cooperation in the area of environment and development. The Beijing Ministerial Declaration adopted by the Conference was an important contribution both to ongoing preparations for the United Nations Conference on Environment and Development and to international environmental cooperation in general.

3. As a country of the Asian and Pacific region, China participated in and contributed to regional economic cooperation. Over the years, China had increased its financial contribution to the Economic and Social Commission for Asia and the Pacific (ESCAP); in April 1992, the Chinese Government would act as host to the Commission's forty-seventh session.

4. In the next few years, a series of international conferences and meetings would be held and the Uruguay Round of multilateral trade negotiations would enter its final stage. His delegation hoped that all those events would be imbued with the spirit and principles of the Declaration on International Economic Cooperation.

5. Mr. EHLERS (Uruguay) said that his country had introduced an adjustment policy designed to promote growth: fiscal imbalances were being reduced substantially to combat inflation, domestic credit was under control and greater competitiveness was being encouraged. The recent adoption of legislation governing public enterprises was paving the way for private-sector participation in areas which had previously had been the exclusive domain of

(Mr. Ehlers, Uruguay)

the State. Complete or partial privatization were both under consideration and would include management controls to ensure that users of services and consumers of goods were the true beneficiaries.

6. Agreements had been reached which had enabled his country to meet its external debt obligations faithfully, despite the sacrifices imposed on the population. His delegation therefore hoped that Uruguay would not be penalized by decreased funding or greater conditionality.

7. His country's participation in the common market of the southern cone (MERCOSUR) presented a unique opportunity and challenge. To encourage local and foreign investment, legislation had been adopted to encourage the influx and unimpeded transfer of capital, and a system of free zones had been established to promote the transformation and re-export of manufactured goods. Tariff reductions were also continuing. The members of MERCOSUR, together with Bolivia, were promoting the optimum development of the Paraguay-Paraná waterway. Those efforts, which encouraged private-sector participation in infrastructure construction and maintenance and the provision of services, would spur the development of trade within the subregion and with the rest of the world.

8. His country attached the utmost importance to the Uruguay Round of multilateral trade negotiations, which ought to produce a clear set of rules that would allow Uruguay to make the best possible use of its comparative advantages, competitiveness and creativity in the interests of growth and development. Uruguayan farmers could not compete when the developed countries paid their own farmers huge subsidies - subsidies which those very countries condemned in other, analogous situations. It was imperative that all countries, and the developed countries in particular, should adhere to the commitments assumed by the international community in the Punta del Este Ministerial Declaration, the declarations emanating from the Montreal and Brussels ministerial meetings of the General Agreement on Tariffs and Trade (GATT), the declarations of the Group of Seven economic summits and the Declaration on International Economic Cooperation.

9. While his country recognized that democracy and respect for human rights were essential for genuine national development, no direct cause-and-effect relationship existed, and it was therefore unacceptable to condition the granting of development assistance on a country's political system. The developing countries needed access to the resources, technologies and markets of the developed countries, on clear, just and equitable terms. In addition, his delegation enthusiastically supported the Secretary-General's proposal to convene an international conference on development financing.

10. Mr. AIT CHALAAL (Algeria) said that his delegation fully endorsed the views expressed by the representative of Ghana on behalf of the Group of 77 at the Committee's 10th meeting. He drew attention to paragraph 12 of the Declaration on International Economic Cooperation and said that his delegation attached particular importance to the following priority objectives listed in

(Mr. Ait Chalaal, Algeria)

that document: an early and durable solution to the external debt problem of the developing countries; a halt to the negative transfer of financial resources from developing to developed countries; new financial flows to the developing countries on favourable terms; the implementation of the long-standing commitment by the developed countries to devote 0.7 per cent of GNP to ODA; improvement of the international economic environment, in particular by establishing an open and equitable trading system which took into account the particular situation and interests of the developing countries; support for the regional economic integration efforts of the developing countries; and, lastly, support for the efforts of developing countries to develop endogenous scientific and technological capabilities.

11. Although the developing countries were complying with the Declaration by adopting new economic policies, often at the expense of domestic stability, the situation in several regions of the world was still disconcerting. In Africa in particular, social and economic problems continued to worsen, largely because the international community had not honoured its commitments, a situation reflected in the failure of the United Nations Programme of Action for African Economic Recovery and Development (UNPAAERD). His delegation hoped that the international community would effectively mobilize the necessary means to assist Africa during the 1990s.

12. Enhanced international cooperation would depend primarily on the political will of all States to honour the commitments and policies set out in the Declaration and endorsed in the International Development Strategy for the Fourth United Nations Development Decade. The forthcoming eighth session of the United Nations Conference on Trade and Development (UNCTAD), the United Nations Conference on Environment and Development and the International Conference on Population and Development would provide the international community with major opportunities to respond positively to the pressing needs of the developing countries. In recent years Algeria had sought to make its institutions more democratic and had undertaken far-reaching economic reforms; accordingly, it was deeply committed to the objectives of the Declaration and would work tirelessly to promote the implementation of that instrument.

13. Mr. VAJPAYEE (India) said that the Declaration, and particularly paragraphs 21-37, provided a framework for urgent and meaningful cooperation among countries. While his delegation welcomed the information provided by Member States on measures taken individually and collectively to honour the commitments undertaken in the Declaration, it would have preferred an analytical review of those measures and hoped that such a report would be forthcoming in 1992.

14. Recognizing that economic growth required vigorous national efforts, his country had in recent weeks introduced momentous changes in its monetary, fiscal, trade and industrial policies with a view to stimulating production, encouraging foreign investment and trade, reducing fiscal and other imbalances and fostering private enterprise. India had also taken several steps, at considerable sacrifice, to honour its debt commitments.

(Mr. Vajpayee, India)

15. The World Economic Survey 1991 painted a bleak picture of the world economy and development assistance in 1991. Spurious links were being drawn between economic and social indicators and attempts to impose certain growth models and new conditionalities in international cooperation were being made. Yet the developing world clearly had done much to foster international economic cooperation, and it would not be long before the developed countries recognized that global interdependence was of vital importance to beneficial economic relations. As the Secretary-General had noted in his report on the work of the Organization (A/46/1), a reinvigoration of the North-South dialogue had become more urgent than ever. The Declaration and the Secretary-General's proposal for an international conference on development financing represented stages in that dialogue, and his delegation hoped that the current session of the General Assembly would provide firm guidance in that regard.

16. Mr. THWIN (Myanmar) said that the developing countries had accepted that they were primarily responsible for their growth and development and that sound national macroeconomic management policies were essential. For its part, Myanmar had moved from a centrally planned to a market-oriented economic system and had instituted far-reaching policy measures, including the abolition of price controls and subsidies, the streamlining of taxes and duties, the restructuring of wages and prices, the introduction of financial management systems and the decentralization of controls on State economic enterprises. Legislation to allow the establishment of private financial institutions would help channel private savings to the productive sector. To facilitate international trade, export and import procedures had been streamlined and infrastructure support improved. A favourable climate for direct foreign investment had been created by means of a new law which allowed up to 100 per cent foreign equity ownership. Private sector development was also being promoted. The Government's economic reform measures had led to increased agricultural productivity, a higher GDP growth rate and a rise in exports.

17. In the social field, educational reforms included a review of curricula, textbooks and the examination system and sectoral study conducted with assistance from the United Nations Development Programme (UNDP) and the United Nations Educational, Scientific and Cultural Organization (UNESCO). A new health plan had been formulated, and the Government had allocated considerable resources to poverty alleviation, particularly in the border areas.

18. Myanmar had been active at the national and international levels in the protection and conservation of the environment. The Government was promoting an environmentally sound and sustainable method of exploiting its abundant forest resources, and it had also recently approved the second phase of a national park protected area management scheme, funded by UNDP. Natural forest reserve areas were being expanded, new forests planted and the involvement of local communities encouraged. Myanmar had participated actively in international forums and regional meetings on the environment.

(Mr. Thwin, Myanmar)

19. While sound national policies were essential to growth and development in the developing countries, the international community had a responsibility to support those countries' efforts by creating a favourable international economic climate. Myanmar was heartened to learn of the measures taken by organs and organizations of the United Nations system, but it was the developed countries' implementation of their commitments and policies that was crucial. Myanmar was highly appreciative of the various initiatives described in document A/46/505, even though they would meet only a small part of the developing countries' needs. The global community should act in concert to ensure the full and effective implementation of the commitments and policies agreed in the Declaration and subsequent international documents such as the Paris Declaration and the International Development Strategy for the Fourth United Nations Development Decade.

20. Mr. KIM (Democratic People's Republic of Korea) said that there had been no sign of progress in the implementation of the Declaration. In the meantime, the economic prospects of the developing countries were being threatened by the changed international political scene, and the economic gap between North and South was widening. The successful implementation of the commitments and policies agreed upon in the Declaration required the creation of a just and sound environment for the sustained economic growth of the developing countries. The international community needed to establish a new and just international economic order, putting an end to indebtedness, declining commodity prices and raised trade barriers. The developed countries should refrain from politically motivated economic embargoes against developing countries and should not attach political preconditions to economic aid. International economic relations should be based on respect for each country's freedom to establish its own political, economic and social systems that suited the demands of its people and the specific conditions and characteristics of the country.

21. The functions and role of the United Nations should be substantially strengthened to allow it to play a central role in the establishment of the new international economic order, and any reform of its activities in the economic and social fields should promote the implementation of the commitments and policies agreed in the Declaration, the Programme of Action for the Least Developed Countries for the 1990s and the International Development Strategy for the Fourth United Nations Development Decade. International organizations had a major role to play in the implementation of the Declaration, and it was important that they should maintain their neutrality; there was concern among the developing countries at the introduction of a political theme in the UNDP Human Development Report 1991. It would be useful to review the implementation of the Declaration and take follow-up action at subsequent sessions of the Economic and Social Council and in the Second Committee. The establishment of an informal open-ended working group within the framework of the Committee might facilitate that exercise.

(Mr. Kim, Democratic People's Republic of Korea)

22. For its part, the Government of the Democratic People's Republic of Korea was developing economic exchanges with all countries on an equal footing, on the basis of its own established socialist economic system, and would do its utmost to help implement the Declaration.

23. Mr. MATRI (Pakistan) said that Pakistan had embarked upon a programme of comprehensive economic reforms aimed at stimulating economic activity within a liberal framework. Those reforms, involving privatization, deregulation and the removal of constraints on the private sector, were aimed at accelerating economic growth while maintaining macroeconomic stability, with market forces acting as the main engine of economic growth. Incentives to encourage industrial development, and agriculturally based industry in particular, included the abolition of all controls on industrial investment, even in areas where the public sector had traditionally held a monopoly, with a view to creating an environment in which foreign private investment might gradually replace foreign loans. Foreign currency restrictions and controls on access to domestic credit had been removed. Trade arrangements had been liberalized and import licensing eliminated. Nationalized banks had been privatized and restrictions on the setting up of private commercial banks had been removed. The Government's role was to provide mechanisms to support creative private-sector initiatives that would lead to widespread economic growth.

24. While most developing countries had undertaken extensive measures to liberalize and reform their economies, the industrialized countries had not matched those efforts. The international economic environment for the developing countries continued to deteriorate, and it was essential that the developed countries should endeavour to implement their share of the commitments agreed upon in the Declaration if the developing countries were to reap the benefits of the new post-cold war era of economic cooperation and partnership.

25. The Gulf crisis had aggravated the debt-servicing problems of the heavily indebted developing countries and debt strategy was needed for the group of economically prudent countries, including Pakistan, which had implemented structural adjustment programmes but whose debt burdens nevertheless remained very high. External financing for developing countries was decreasing and had become unpredictable, while the integration of Eastern Europe into the world market had created competition for scarce resources. The developed countries could and should endeavour to attain the agreed international target of 0.7 per cent of GNP for ODA.

26. An open and credible multilateral trading system could only be assured if the outcome of the Uruguay Round was balanced. It was essential to end the stalemate and achieve a satisfactory conclusion to the negotiations before the end of the year. The developing countries had vital sectoral interests which needed to be taken into account in the final outcome; for Pakistan, with its special interest in the textile and clothing sector, the phasing out of the Multifibre Arrangement was critical.

(Mr. Matri, Pakistan)

27. In view of the sincere efforts made by the African countries to implement structural adjustment programmes in spite of the social and human cost, his delegation urged the international community to carry out the commitment, made at the recent meeting of the Ad Hoc Committee of the Whole of the General Assembly on the Final Review and Appraisal of UNPAAERD to assist those countries in the pursuit of their development needs.

28. Mr. KUDRYAVTSEV (Union of Soviet Socialist Republics) said that the adoption of the Declaration on International Cooperation was evidence of a new consensus in the world on the importance of market mechanisms and stimuli, and of the need to encourage initiative and creativity to achieve economic growth. There was also recognition of the need to work for a genuine integration of the world economic system and to minimize non-productive expenditures, particularly in the military area.

29. A new economic agreement between the sovereign Republics of the USSR was currently in preparation, based on universally accepted principles of voluntary participation, the equality of all members, economic efficiency and mutual advantage. The agreement would cover a wide range of concerns, such as trade, tariffs, the monetary and banking systems, foreign economic relations and the financing of major technological, humanitarian and environmental programmes. The initial framework agreement would form the basis for 15 long-term and 6 short-term agreements between the Republics. After the swift disintegration of the old political and economic ties between the Republics that had followed the abortive coup in August, there were encouraging signs that Soviet society had found the inner strength necessary for its survival and recovery.

30. Inspired by its belief in the key role of the United Nations in the economic field, the USSR would continue to cooperate fully with international monetary and trade organizations and with the coordinating mechanisms of the industrialized world, such as the group of seven major industrialized countries, the European Economic Community (EEC) and the Organization for Economic Cooperation and Development (OECD). His country's move to an open economy was assisted by the Soviet Union's new, closer association with the International Monetary Fund (IMF) and the European Bank for Reconstruction and Development (EBRD) and by its fuller implementation of GATT rules.

31. While the Declaration was the first expression by the United Nations of international support for the reforms being undertaken in Eastern Europe and the USSR, those reforms could not succeed without the full reintegration of those countries into the world economic system. The USSR fully endorsed the call made in the Declaration for reduced military expenditures, and the recent declarations made by the Presidents of the USSR and the United States of America on massive reductions of arms and troops had set an example for the rest of the world to follow.

(Mr. Kudryavtsev, USSR)

32. If the Declaration was to achieve its stated aims, its provisions must be supported with the following specific measures: the de-ideologization and depoliticization of world economic relations; the provision of emergency assistance to countries affected by natural and man-made disasters; the mobilization of essential resources for development and the reconstruction of national economies, particularly those in a state of transition; the creation of the necessary internal economic and political conditions in countries receiving assistance and the free transfer of knowledge, technology, capital, human resources and goods throughout the world economic system. The progress made in implementing the Declaration should be reviewed on a regular basis and synchronized with the periodic review of the implementation of the new International Development Strategy.

33. Mr. GIRON (Colombia), speaking also on behalf of Peru, said that the two Governments had undertaken substantial social and economic reforms consonant with the spirit of the Declaration. The Government of Colombia was pursuing a general strategy to open up the economy, modernize the productive infrastructure, privatize State enterprises and the port system and rationalize other public bodies. Decisive steps had been taken to open up international trade and encourage foreign and domestic investment. The Government of Peru was pursuing a programme of economic stabilization and structural adjustment which had to a large extent succeeded in correcting distortions in the economy. Inflation had been dramatically reduced, subsidies eliminated, tariffs reduced to realistic levels and repayment of the international debt resumed. That effort had involved a rigorous programme of fiscal austerity and extensive privatization of State enterprises, at a high social cost.

34. All those changes had been implemented with the ultimate aim of achieving stable development and helping to create a favourable international economic environment as envisaged in the Declaration. It was thus a matter of grave concern that the circumstances which undermined the two countries' efforts and lay outside their individual control still persisted. Their products, like those of other developing countries, continued to encounter obstacles to access to major world markets. Inward investment was substantially less than the integrated and sustained development of their economies required, while heavy debt and debt-servicing burdens had reduced the resources available to satisfy the growing food, housing, education and health needs of their populations. Although the two countries wished to reaffirm their support for democratic principles and their respect for the fundamental rights and freedoms of the individual, those principles were vulnerable in an environment where human survival and dignity were threatened.

35. The new international political environment offered an opportunity for a resumption of the North-South dialogue and a balanced outcome to the Uruguay Round, thereby paving the way for the establishment of an open and reliable multilateral trading system. The eighth session of UNCTAD, to be held in Colombia in 1992, ought to lead to a new era of post-cold war cooperation.

(Mr. Giron, Colombia)

His delegation looked forward to a revitalized, more analytical UNCTAD with improved working methods and closer links to Bretton Woods institutions and GATT.

36. Mr. FLORES (Mexico) said that the dangerous trend towards the concentration of economic growth and technological development in the North must be reversed. In order to prevent the so-called new world order from further widening the gap between development and poverty, multilateral negotiations must be revitalized, since that was the only way Member States could fully honour the commitments they had undertaken in the Declaration on International Economic Cooperation.

37. In recent years, many developing countries had begun to implement major economic adjustment policies with a view to achieving economic recovery and growth. Those efforts must be complemented by an international economic environment conducive to development. The full implementation of the Declaration required additional efforts on the part of the developed countries to draw up specific agreements in the areas of resource transfers, debt, trade and commodities, industrial and technological development, extreme poverty, and the environment.

38. The United Nations should play the leading role in mobilizing international cooperation for development. In order to establish an adequate framework for the implementation, follow-up and analysis of the commitments and policies contained in the Declaration, better and increased coordination was required both within the United Nations system and between its various agencies and Member States. The current process of revitalizing and modernizing the United Nations system should contribute to the achievement of the general and specific objectives of the Declaration.

39. Mexico had begun a vigorous process of domestic reforms aimed at modernizing its economy and increasing its competitiveness at the international level. Mexico's economic policy was based on four strategies: the internationalization and opening up of the economy, technological innovation, domestic deregulation, and export promotions. Those measures would only be strengthened by an international environment that was favourable to such efforts.

40. Miss SEALY (Jamaica) said that the commitments and policies contained in the Declaration on International Economic Cooperation called for action at both the national and international levels. Many developing countries, including Jamaica, were already endeavouring to control inflation, promote domestic and foreign investment, modernize their economies and increase their international competitiveness. However, such policies could be successful only if they were supported by the international community.

41. The Secretary-General's report (A/46/505) contained information about the steps the Government of Jamaica was taking to implement the Declaration. However, Jamaica's efforts were hampered by limited human and financial

(Miss Sealy, Jamaica)

resources, and required international support. The creation of a supportive international environment called for urgent action in four major areas. First, there must be a substantial reduction in the cost of debt-servicing. While some important steps had been taken by a number of creditor countries and a number of strategies to deal with commercial debt had achieved some success, sustained international action was required on an even more focused and international scale. In particular, international financial institutions should rethink their policies in relation to the restructuring and refinancing of debts owed them by developing countries that were net contributors to those institutions. Second, developing countries' commodity and raw material exports, which were often their most important source of foreign exchange, must be allowed access to world markets. Third, if developing countries were to grow, there should be higher levels of investment in their economies, including a greater flow of technical assistance. Fourth, human resources development must be given high priority. Her delegation was encouraged by the attention that was being given to that aspect of development by Governments and organs and bodies of the United Nations system. Those activities should be expanded, since human resources development was an essential condition of sustained economic growth.

42. Mr. CANDAO (Philippines) said that the notion of interdependence was of crucial significance to the Declaration on International Economic Cooperation and was inextricably linked with cooperation itself. The Declaration was a distillation of the aspirations expressed in many previous declarations and resolutions adopted by the United Nations and represented a landmark in the Organization's development literature.

43. The Philippines was committed to the implementation of the provisions of the Declaration, as manifested by its medium-term development plan for the period 1988-1992, which pursued a wide range of national development goals, such as the alleviation of poverty, the generation of more productive employment, the promotion of equity and social justice and the attainment of sustainable economic growth. Numerous specific measures were being implemented in pursuit of those goals, including the decentralization of government structures, the promotion of agrarian reform and environmental protection programmes and the improvement of health, education, social welfare and crime-prevention services. Steps had also been taken to encourage domestic and foreign investment, to promote cottage, small- and medium-sized industries and to increase participation by local government bodies and the private sector in various infrastructure projects and in development administration.

44. The developing countries were being exhorted to manifest greater self-reliance, but self-reliance could not be attained without help from other developing countries and the developed world in overcoming the massive external debt and debt-service burden that was eating away their already meagre export earnings. The funds thus released could be used to import new technology to hasten economic growth and development. Currently, 80 per cent of all foreign direct investments by Japan, the European Community and the

(Mr. Candao, Philippines)

United States was made within that group of countries. More direct investment must be diverted to the developing world and accompanied by investment promotion programmes with attractive incentives. In addition, the protectionist policies pursued by the developed countries should be discontinued, to allow greater market access for exports from the developing world. Finally, the developing world could not afford to preserve its forests and keep its waters clean or to serve as a sink for the pollutants of the developed world, unless it received additional funds for the purchase of environmentally appropriate technology.

45. After a procedural discussion in which Mr. SERSALE di CERISANO (Argentina), Mr. JOMAA (Tunisia), Mr. OULD CHEIKH EL GAOUTH (Mauritania), Miss JANJUA (Pakistan), Mr. MISSARY (Yemen) and the Secretary of the Committee took part, the CHAIRMAN informed the Committee that he would prepare a summary of the general discussion of agenda item 89 and distribute it to delegations.

The meeting rose at 5.30 p.m.